

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Concord Retirement Board was held on Wednesday, February 24, 2016 at the Town House.

**Present:**                    **Peter J. Fulton, Chairman**  
**Mary M. Barrett, Ex Officio**  
**Brian J. Whitney, Elected**  
**Arnold D. Roth, 5<sup>th</sup> Member Appointed**

**Also Present:**            **Linda A. Boucher, Retirement Administrator**  
**Lawrence B. Stone, Actuary**  
**Colin Edgar, Actuary Assistant**

**Absent:**                    **Anthony T. Logalbo, Appointed**

Chairman Peter Fulton opened the meeting at 8:30 a.m. and welcomed a visitor to the meeting.

**The Board unanimously approved the January 27, 2016 meeting minutes.**

**The Board unanimously approved the February 29, 2016 retiree payroll as follows:**

Pension            \$488,764.73  
Annuity            \$108,511.85  
**Total Payroll: \$597,276.58**

**The Board unanimously approved the following expenses:**

McWalter-Volunteer	Renew Bond Policy #BON1741895 – Arnold Roth	\$	75.00
Town of Concord	Board's share of ADP Invoice #487687106	\$	1,441.95
Pension Technology Group	Support and hosting service – Invoice #1287	\$	20,375.00
Columbia Threadneedle Investments	Invoice # 114718 - Equity Fund		

<b>41.6 bps</b>	<b>Period end</b>		
	<b>Market Value</b>		
	<b>2,000,000.00</b>	@ 0.0075 annually x ¼	\$ 3,750.00
	<b>8,000,000.00</b>	@ 0.005 annually x ¼	\$10,000.00
	<b><u>11,715,740.85</u></b>	@ 0.003 annually x ¼	<b><u>\$ 8,786.81</u></b>
	<b>21,715,740.85</b>		<b>\$22,536.81</b>

<b>Base fee</b>	<u><b>63.00</b></u>
-----------------	---------------------

<b>Total Investment Advisory Services</b>	<b>\$22,599.81</b>	<b>\$ 22,599.81</b>
---	--------------------	---------------------

Columbia Threadneedle Investments	Invoice #114722 – Fixed Income
-----------------------------------	--------------------------------

<b>10.125 bps</b>	<b>Period end</b>		
	<b>Market Value</b>		
	<b>27,825,083.86</b>	@ 0.00135 annually x ¼	\$9,390.97
	<b>Discount</b>	@ (25.00)%	<b><u>(2,347.74)</u></b>

<b>Total Investment Advisory Services</b>	<b>\$7,043.23</b>	<b>\$ 7,043.23</b>
---	-------------------	--------------------

Town of Concord	Temp. Staff w/e 01/15 – 02/05/2016; tele.	\$	3,131.80
Amity Insurance	MACRS Fiduciary and Fidelity coverage 03/01/16 -03/01/2017	\$	3,803.00
Bank of America	Analysis invoice #16010090467	\$	433.22
<b>Subtotal:</b>		<b>\$</b>	<b>58,903.01</b>

**The Board unanimously approved the following 3(8)(c) reimbursements:**

Medford Retirement Board	Nancy Hartwell	\$	788.65
Dukes County Retirement System	Beth Twoomey	\$	1,162.10
Gardner Retirement System	Arthur E. Young	\$	783.58
Middlesex County Retirement	Various retirees	\$	47,997.01

MTRS	Various retirees	\$124,918.08
Wakefield Retirement System	Mary Sweeney	\$ 3,768.04
Barnstable Retirement System	Natalie Marsh; Theodore M. Nelson	\$ 3,832.99
Arlington Retirement Board	James Rose; Elizabeth Steinhilber; Ruth Ann Yannetti	\$ 3,927.15
<b>Subtotal:</b>		<b><u>\$187,177.60</u></b>
<b>Grand total:</b>		<b><u>\$246,080.61</u></b>

The Board was provided with the following list of investment transactions:

Settle Date	Tran Type	Trade Face	Ticker/Coupon/ Maturity	Sec Desc	CUSIP (Aladdin ID)	Trade Price	Yield	Moody Rating	S&P Rating
1/28/2016	SELL	-190,000.00	T 0.741 02/12/2016	AT&T INC	00206RBS0	99.995	0.86	NR	NR
1/28/2016	SELL	-15,000.00	ABIBB 3.300 02/01/2023	ANHEUSER-BUSCH INBEV FINANCE INC	035242AL0	100.416	3.23	A3	A-
1/28/2016	SELL	-20,000.00	ABIBB 3.300 02/01/2023	ANHEUSER-BUSCH INBEV FINANCE INC	035242AL0	100.392	3.24	A3	A-
1/28/2016	BUY	15,000.00	ABIBB 3.650 02/01/2026	ANHEUSER-BUSCH INBEV FINANCE INC	035242AP1	99.891	3.66	A3	A-
1/28/2016	BUY	10,000.00	ABIBB 3.650 02/01/2026	ANHEUSER-BUSCH INBEV FINANCE INC	035242AP1	99.816	3.67	A3	A-
1/28/2016	SELL	-200,000.00	BK 0.666 03/04/2016	BANK OF NEW YORK MELLON CORP	06406HCH0	100.0194	0.47	A1	A
1/26/2016	BUY	815,000.00	T 1.250 12/15/2018	TREASURY NOTE	912828N22	100-15 1/8	1.08	Govt	AA+
1/26/2016	SELL	-205,000.00	T 2.000 02/15/2023	TREASURY NOTE	912828UN8	101-12 5/8	1.79	Govt	AA+
1/29/2016	BUY	11,000.00	NBL 3.900 11/15/2024	NOBLE ENERGY INC	655044AH8	84.573	6.20	Baa3	BBB
1/29/2016	BUY	6,000.00	NE 4.000 03/16/2018	NOBLE HOLDING INTERNATIONAL LTD	65504LAM9	79.875	15.4 3	Baa3	BBB
1/29/2016	BUY	7,000.00	NE 4.000 03/16/2018	NOBLE HOLDING INTERNATIONAL LTD	65504LAM9	79.75	15.5 1	Baa3	BBB
2/1/2016	SELL	-12,000.00	D 3.900 10/01/2025	DOMINION RESOURCES INC	25746UCE7	100.989	3.77	Baa2	BBB
2/1/2016	BUY	120,000.00	GE 5.000 12/31/2049	GENERAL ELECTRIC CO	369604BQ5	102.875	4.35	A3	AA-
2/1/2016	BUY	35,000.00	SRE 2.400 03/15/2020	SEMPRA ENERGY	816851AW9	97.726	2.99	Baa1	BBB+
2/1/2016	SELL	-120,000.00	T 1.750 12/31/2020	TREASURY NOTE	912828N48	101-16 3/4	1.43	Govt	AA+
2/3/2016	SELL	-65,679.49	AMCAR_15-1-A2B 0.844 04/09/2018	AMCAR_15-1	03065KAC5	99-31+	0.91	Aaa	NR
2/3/2016	SELL	-92,103.10	SDART_15-2-A2B 0.875 09/17/2018	SDART_15-2	80284BAC8	99-31 5/8	0.90	Aaa	AAA
2/3/2016	SELL	-100,000.00	TD 0.937 09/09/2016	TORONTO-DOMINION BANK	89114QAL2	100.1076	0.89	Aa1	AA-
2/1/2016	BUY	407,000.00	T 1.250 12/15/2018	TREASURY NOTE	912828N22	100-26 5/8	0.96	Govt	AA+
2/3/2016	SELL	#####	T 1.250 12/15/2018	TREASURY NOTE	912828N22	100-23 1/8	0.99	Govt	AA+
2/3/2016	SELL	-65,000.00	T 2.125 12/31/2022	TREASURY NOTE	912828N30	102-25 1/4	1.70	Govt	AA+
2/3/2016	SELL	#####	T 1.750 12/31/2020	TREASURY NOTE	912828N48	101.82884 38	1.36	Govt	AA+
2/3/2016	SELL	-259,000.00	T 1.000 12/31/2017	TREASURY NOTE	912828N55	100-11 1/4	0.81	Govt	AA+
2/3/2016	BUY	2,022,000.00	T 1.125 01/15/2019	TREASURY NOTE	912828N63	100-11 3/4	1.00	Govt	AA+
2/3/2016	BUY	2,421,000.00	T 1.375 01/31/2021	TREASURY NOTE	912828N89	100-02	1.36	Govt	AA+
2/3/2016	BUY	259,000.00	T 0.750 01/31/2018	TREASURY NOTE	912828P20	99-28 3/4	0.80	Govt	AA+
2/3/2016	BUY	65,000.00	T 1.750 01/31/2023	TREASURY NOTE	912828P38	100-07 7/8	1.71	Govt	AA+
2/5/2016	SELL	-70,000.00	MET 3.600 11/13/2025	METLIFE INC	59156RBQ0	100.069	3.59	A3	A-

2/10/2016	BUY	30,000.00	NAROT_16-A-A3 1.340 10/15/2020	NAROT_16-A	65478UAD1	99.97728	1.35	Aaa	NR
2/5/2016	BUY	64,000.00	T 2.250 11/15/2025	TREASURY NOTE	912828M56	103-09	1.88	Govt	AA+
2/5/2016	SELL	-30,000.00	T 0.750 01/31/2018	TREASURY NOTE	912828P20	99-31 3/8	0.76	Govt	AA+
2/12/2016	BUY	40,000.00	HD 3.000 04/01/2026	HOME DEPOT INC	437076BM3	99.356	3.07	A2	A
2/8/2016	BUY	41,000.00	NE 4.000 03/16/2018	NOBLE HOLDING INTERNATIONAL LTD	65504LAM9	80	15.4 8	Baa3	BBB
2/8/2016	BUY	6,000.00	NE 4.000 03/16/2018	NOBLE HOLDING INTERNATIONAL LTD	65504LAM9	79.875	15.5 7	Baa3	BBB
2/8/2016	SELL	-40,000.00	T 2.250 11/15/2025	TREASURY NOTE	912828M56	103-08 1/8	1.88	Govt	AA+
2/8/2016	SELL	-35,000.00	T 0.750 01/31/2018	TREASURY NOTE	912828P20	100-03 1/8	0.70	Govt	AA+
2/8/2016	BUY	21,000.00	WFC 5.900 12/31/2049	WELLS FARGO & COMPANY	949746RG8	99.5	5.98	Baa2	BBB
2/8/2016	BUY	14,000.00	WFC 5.900 12/31/2049	WELLS FARGO & COMPANY	949746RG8	99.5	5.98	Baa2	BBB
2/9/2016	SELL	-61,183.15	NALT_14-B-A2B 0.675 04/17/2017	NALT_14-B	65490BAC9	99-31 3/8	0.72	Aaa	NR
2/12/2016	BUY	35,000.00	AGN 3.800 03/15/2025	ACTAVIS FUNDING SCS	00507UAS0	102.563	3.46	Baa3	BBB-
2/12/2016	BUY	20,000.00	AGN 3.800 03/15/2025	ACTAVIS FUNDING SCS	00507UAS0	102.181	3.51	Baa3	BBB-
2/12/2016	BUY	125,000.00	JPMBB_14-C26-A4 3.494 01/15/2048	JPMBB_14-C26	46643TBJ0	103-09 3/4	3.07	Aaa	NR
2/12/2016	SELL	-100,000.00	T 2.250 11/15/2025	TREASURY NOTE	912828M56	104-23 7/8	1.72	Govt	AA+
2/12/2016	SELL	-45,000.00	T 2.250 11/15/2025	TREASURY NOTE	912828M56	104-20 3/8	1.73	Govt	AA+
2/16/2016	BUY	50,000.00	ABIBB 3.300 02/01/2023	ANHEUSER-BUSCH INBEV FINANCE INC	035242AL0	102.189	2.94	A3	A-
2/16/2016	BUY	25,000.00	ABIBB 3.300 02/01/2023	ANHEUSER-BUSCH INBEV FINANCE INC	035242AL0	102.115	2.95	A3	A-
2/16/2016	BUY	15,000.00	ABIBB 3.300 02/01/2023	ANHEUSER-BUSCH INBEV FINANCE INC	035242AL0	102.06	2.96	A3	A-
2/16/2016	SELL	-35,000.00	ABIBB 3.650 02/01/2026	ANHEUSER-BUSCH INBEV FINANCE INC	035242AP1	102.561	3.34	A3	A-
2/16/2016	SELL	-15,000.00	ABIBB 3.650 02/01/2026	ANHEUSER-BUSCH INBEV FINANCE INC	035242AP1	102.502	3.35	A3	A-
2/16/2016	SELL	-15,000.00	ABIBB 3.650 02/01/2026	ANHEUSER-BUSCH INBEV FINANCE INC	035242AP1	102.502	3.35	A3	A-
2/16/2016	BUY	65,000.00	HD 2.625 06/01/2022	HOME DEPOT INC	437076BG6	101.776	2.32	A2	A
2/16/2016	SELL	-40,000.00	HD 3.000 04/01/2026	HOME DEPOT INC	437076BM3	101.938	2.77	A2	A
2/18/2016	BUY	50,000.00	AIG 3.750 07/10/2025	AMERICAN INTERNATIONAL GROUP INC	026874DD6	93.114	4.66	Baa1	A-
2/18/2016	BUY	5,000.00	ABIBB 3.300 02/01/2023	ANHEUSER-BUSCH INBEV FINANCE INC	035242AL0	102.083	2.96	A3	A-
2/18/2016	SELL	-5,000.00	ABIBB 3.650 02/01/2026	ANHEUSER-BUSCH INBEV FINANCE INC	035242AP1	102.626	3.33	A3	A-
2/18/2016	SELL	-2,000.00	D 3.900 10/01/2025	DOMINION RESOURCES INC	25746UCE7	101.112	3.76	Baa2	BBB
2/18/2016	BUY	45,000.00	HD 2.625 06/01/2022	HOME DEPOT INC	437076BG6	101.589	2.35	A2	A
2/18/2016	SELL	-30,000.00	HD 3.350 09/15/2025	HOME DEPOT INC	437076BK7	104.864	2.76	A2	A
2/18/2016	BUY	110,000.00	MCK 3.796 03/15/2024	MCKESSON CORP	581557BE4	102.986	3.36	Baa2	BBB+
2/18/2016	SELL	-125,000.00	MCK 2.850 03/15/2023	MCKESSON CORP	58155QAG8	98.102	3.15	Baa2	BBB+
2/18/2016	SELL	-155,000.00	NE 4.625 03/01/2021	NOBLE HOLDING INTERNATIONAL LTD	65504LAF4	53.25	19.6 6	Baa3	BBB
2/18/2016	SELL	-14,000.00	NE 5.250 03/15/2042	NOBLE HOLDING INTERNATIONAL LTD	65504LAK3	41	13.4 7	Baa3	BBB
2/18/2016	BUY	10,000.00	SRE 2.400 03/15/2020	SEMPRA ENERGY	816851AW9	98.54	2.78	Baa1	BBB+
2/18/2016	BUY	10,000.00	T 2.250 11/15/2025	TREASURY NOTE	912828M56	104-28 3/8	1.70	Govt	AA+
2/18/2016	SELL	-40,000.00	T 2.250	TREASURY NOTE	912828M56	104-19+	1.73	Govt	AA+

2/18/2016	BUY	60,000.00	11/15/2025 T 1.375	TREASURY NOTE	912828N89	100-29 1/8	1.19	Govt	AA+
2/19/2016	BUY	5,000.00	01/31/2021 AIG 3.750	AMERICAN INTERNATIONAL GROUP INC	026874DD6	94.061	4.53	Baa1	A-
2/23/2016	BUY	35,000.00	02/23/2046 AAPL 4.650	APPLE INC	037833BX7	100.657	4.61	Aa1	AA+
2/23/2016	BUY	40,000.00	02/23/2046 AAPL 4.650	APPLE INC	037833BX7	99.423	4.69	Aa1	AA+
2/19/2016	SELL	-45,000.00	01/15/2021 HSBC 6.676	HSBC FINANCE CORP	40429CGD8	111	4.17	Baa2	A-
2/18/2016	SELL	-275,000.00	08/15/2045 T 2.875	TREASURY BOND	912810RN0	104-25	2.64	Govt	AA+
2/18/2016	BUY	270,000.00	11/15/2045 T 3.000	TREASURY BOND	912810RP5	107.54149 6	2.63	Govt	AA+
2/19/2016	SELL	-40,000.00	11/15/2045 T 3.000	TREASURY BOND	912810RP5	107-16 5/8	2.63	Govt	AA+
2/19/2016	SELL	-35,000.00	11/15/2045 T 3.000	TREASURY BOND	912810RP5	107-14+	2.64	Govt	AA+
2/18/2016	SELL	-93,900.00	11/15/2025 T 2.250	TREASURY NOTE	912828M56	104.23229 2	1.77	Govt	AA+
2/19/2016	BUY	45,000.00	01/31/2021 T 1.375	TREASURY NOTE	912828N89	100-23 3/8	1.22	Govt	AA+
2/18/2016	BUY	95,000.00	02/15/2026 T 1.625	TREASURY NOTE	912828P46	98-21	1.77	Govt	AA+
2/19/2016	SELL	-5,000.00	02/15/2026 T 1.625	TREASURY NOTE	912828P46	98-18	1.78	Govt	AA+
2/23/2016	BUY	35,000.00	04/01/2046 GM 6.750	GENERAL MOTORS CO	37045VAL4	101.966	6.60	Ba1	BBB-
2/23/2016	BUY	10,000.00	04/01/2046 GM 6.750	GENERAL MOTORS CO	37045VAL4	99.909	6.76	Ba1	BBB-
2/23/2016	SELL	-85,000.00	02/15/2026 T 1.625	TREASURY NOTE	912828P46	98-20 7/8	1.77	Govt	AA+
2/26/2016	BUY	190,000.00	WFCM_16-NXS5-A4 3.370 01/15/2059	WFCM_16-NXS5	95000CAZ6	100.9969	3.25	Aaa	NR
3/8/2016	BUY	110,000.00	MSC_16-UBS9-A4 3.594 03/15/2049	MSC_16-UBS9	61766CAE9	102.99279	3.24	Aaa	NR
2/24/2016	BUY	35,000.00	02/24/2026 PEP 2.850	PEPSICO INC	713448DF2	99.922	2.86	A1	A
2/24/2016	SELL	-65,000.00	01/31/2023 T 1.750	TREASURY NOTE	912828P38	101-16+	1.52	Govt	AA+

**The Board unanimously approved the following new member:**

Name	Unit	Department	Position	Hire Date	Group
Laura Scott	Town	CMLP	Pwr Supply/Rates Adm.	02/08/2016	1

**The Board unanimously approved the following new retirements:**

Name	Unit	Department	Position	Retirement Date	Service
Peter D. Foye	School	Transportation	Bus Driver	03/01/2016	10.0000
Richard Hodgson	Town	Police	Inspector	02/24/2016	43.0000
Lynne Beck	Town	Finance	Town Accountant	01/27/2016	18.8333

**The Board unanimously approved the following refund/rollover:**

Name	Unit	Department	Position	Amount	Service
Michael LaCure	Town	Police	Dispatcher	\$3,771.82	1.0000
<b>To IRS:</b>				<b>\$ 942.95</b>	

**The Board unanimously approved the following transfers to another system:**

Name	Unit	Department	Position	Amount	Service
Michael McGrath	Town	Police	Police Officer	\$26,769.37	4.3333
<b>Transferring to Worcester Retirement System</b>					
Suzanne Spiller	School	CCRSD	SPED Tutor	\$ 500.82	0.2500
<b>Transferring to MTRS</b>					

Shauna Hardiman	School	CPS	SPED Tutor	\$ 1,429.44	0.3333
<b>Transferring to MTRS</b>					
Anthony Donlon	Town	DPW	Equip. Operator	\$ 9,110.38	1.9167
<b>Transferring to Winchester Retirement System</b>					

**Deaths:**  
**None**

**Actuarial Valuation – “Kick-Off Meeting”:**

Larry Stone, Actuary with Stone Consulting, Inc. reviewed the actuarial assumptions and methodologies used for the current funding schedule. He noted that as of Fiscal Year 2017, there are seven years remaining on the current schedule with a 2.0% increasing amortization. He suggested a review of the two main economic assumptions: salary and investment return. He recommends using a Select and Ultimate salary assumption which reflects higher increases in salary earlier in the career; then pay levels off. Absent promotions, general increases in salary will be lower for more years.

The interest assumption used is based on the current asset allocation. The expected return is between 6.67% and 7.67% so a 7.25% assumed rate of return is fairly close. Concord is slightly ahead of its peers by taking on lower income assumptions.

The market value of system assets as of January 1, 2016 is \$133.8 million; the Actuarial Value of Assets is \$137.9 million. We will be recognizing approximately \$1.1 million of net gain for the 2016 valuation leaving \$4.1 million in deferred losses still to be recognized.

Larry concluded his presentation and the Board thanked him for his time.

**Asset Allocation and Market Values:**

Tony Logalbo was not available to provide a review of the asset allocation and market values at January 31, 2016 report. Board members will review the information on their own and will bring any questions they may have to the next Board meeting.

**CMLP Group Reclassification Request:**

The Concord Retirement Board received a request on March 24, 2015 from David Wood, Concord Municipal Light Plant Director, regarding reclassification to retirement Group 4 for some light plant positions. The positions include, Light Plant Director, Assistant Light Plant Director, Electrical Engineer and Senior Engineering Technician.

The Board was made aware of this request at their March 24, 2015 meeting but had not received the actual memorandum until after the meeting was held.

Due to the change in benefit structure of the positions outlined in the request, the Board consulted with their counsel, Tom Gibson, for guidance and to request a technical advisory on this issue.

At the January retirement board meeting Mr. Gibson provided a Memorandum dated January 27, 2016 in which it was recommended to place three out of the four positions described in the March 24, 2015 Memorandum in Group 4. After reviewing all of the job descriptions again, it had been pointed out by Anthony Logalbo that all four positions had supervisory responsibilities over Group 4 employees, and therefore, all four individuals should be reclassified to Group 4.

**MOTION:**

Motion was made by Arnold Roth and seconded by Brian Whitney to reclassify Light Plant Director David Wood, Assistant Light Plant Director Christopher Roy, Electrical Engineer Jeffrey Cosgrove and Senior Engineering Technician James Coakly as retirement Group 4 employees. **Voted unanimously.**

**Edie Lipinski:**

Ms. Lipinski was a former employee of the Concord Public Schools and is now a member of the Massachusetts Teacher's Retirement System. As she is getting close to retirement, she was reviewing her creditable service record and noticed that she did not get a full year of service credit for each year she worked in the Concord Public Schools. The original transfer of member's deductions from Concord to Mass. Teacher's indicated that the Concord Retirement Board would accept liability

for 6.9167 months of creditable service. A review of her work history with Concord indicated that she was a school department employee who worked at least 25 hours per week for 180 school days in a permanent position. The Concord Retirement Board's Supplemental Regulations specify that school department employees who work in this capacity will be granted one-year of creditable service for every school year they work. The transfer letter was revised to grant Ms. Lipinski 7.000 years of creditable service.

**EXECUTIVE SESSION:**

Motion was made by Arnold Roth and seconded by Brian Whitney to move into Executive Session to discuss the physical condition of an individual who has applied for Accidental Disability Retirement benefits and to reconvene in open session for the purpose of adjournment.

**The following members voted in the affirmative by roll-call:**

Peter Fulton – yes  
Mary Barrett – yes  
Brian Whitney – yes  
Arnold Roth – yes  
Anthony Logalbo - absent

The board reconvened in open meeting for the purpose of adjournment only.

There being no further business before the Board, it was upon motion made and duly seconded that the meeting adjourned at 10:59 a.m.

---

Peter J. Fulton, Chairman, Elected

---

Mary M. Barrett, Ex Officio

---

Brian J. Whitney, Elected

---

Arnold D. Roth, 5<sup>th</sup> Member, Appointed